

SENATE BILL NO. 68

INTRODUCED BY A. ELLIS

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO THE STATEMENTS REQUIRED FOR THE ASSESSMENT OF PROPERTY FOR PROPERTY TAX PURPOSES; CLARIFYING THE TYPES OF ENTITIES REQUIRED TO MAKE A STATEMENT; ALLOWING A PERSON TO MAKE AN ORAL STATEMENT; ALLOWING THE DEPARTMENT OF REVENUE TO REQUIRE INFORMATION ABOUT BUSINESS ACTIVITY ATTRIBUTED TO PROPERTY; PROVIDING THAT THE INFORMATION RELATED TO BUSINESS ACTIVITY IS CONFIDENTIAL; PROVIDING THAT A PERSON OWNING TAXABLE PROPERTY OR USING TAX-EXEMPT PROPERTY MAY NOT APPEAL A VALUATION OF PROPERTY BECAUSE OF FAILURE TO PROVIDE THE STATEMENT; ALLOWING A PERSON TO APPEAL A VALUATION UPON FURNISHING THE STATEMENT; AND AMENDING SECTIONS 15-8-301, 15-8-303, 15-8-309, 15-24-904, AND 15-24-1207, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-8-301, MCA, is amended to read:

"15-8-301. Statement -- what to contain. (1) The department may require from a business entity or a person a written or oral statement ~~under oath setting forth that~~ specifically identifies all the real and personal property owned by, in possession of, or under the control of the business entity or person at midnight on January 1. The department may require that the statement ~~must be in writing, showing separately be made under oath.~~ The statement must include the following information:

(a) all property belonging to, claimed by, or in the possession or under the control or management of the business entity or person;

(b) all property belonging to, claimed by, or in the possession or under the control or management of any firm or association of which the business entity or person is a member;

(c) all property belonging to, claimed by, or in the possession or under the control or management of any corporation of which the person is ~~president, secretary, cashier, or managing~~ an officer or agent;

(d) the county in which the property is situated or in which the property is liable to taxation and, if liable to taxation in the county in which the statement is made, also the city, town, school district, road

1 district, or other revenue districts in which the property is situated;
2 (e) an exact description of all lands, improvements, and personal property;
3 (f) all depots, shops, stations, buildings, and other structures erected on the space covered by the
4 right-of-way and all other property owned by any person owning or operating any railroad within the
5 county;
6 (g) any other information in the possession of the business entity or person that will assist the
7 department in determining the value of property for tax purposes.

8 (2) The department shall notify the taxpayer in the statement for reporting personal property
9 owned by a business or used in a business that the statement is for reporting business equipment and
10 other business personal property described in Title 15, chapter 6, part 1. A taxpayer owning exempt
11 business equipment is subject to limited reporting requirements; ~~however~~ However, ~~all a new businesses~~
12 business shall report ~~their~~ its class eight property so that the department can determine the market value
13 of the property. The department shall by rule develop reporting requirements for business equipment to
14 limit the annual reporting of exempt business equipment to the extent feasible.

15 (3) The department may require that a business provide information concerning all income and
16 expenses attributed to the land and improvements specifically associated with the business.

17 ~~(3)~~(4) Whenever one member of a firm or one of the proper officers of a corporation has made a
18 statement showing the property of the firm or corporation, another member of the firm or another officer
19 is not required to include the property in that person's statement but the statement must show the name
20 of the person or officer who made the statement in which the property is included.

21 ~~(4)~~(5) The fact that a statement is not required or that a person has not made a statement, under
22 oath or otherwise, does not relieve the person's property from taxation."
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24 NEW SECTION. Section 2. Confidentiality of statement. Because the legislature finds that the
25 demands of individual privacy outweigh the merits of public disclosure, the information required by
26 15-8-301(3) is not a public record and must be held confidential by the department.
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28 **Section 3.** Section 15-8-303, MCA, is amended to read:

29 **"15-8-303. Statement to be completed and returned to department.** The department may deliver
30 the statement specified in 15-8-301 to the business entity or person owning taxable property and require

1 the business entity or person, within an appointed time, to return the statement, properly filled out. The
2 department shall notify the business entity or person making the statement of any corrections made by
3 the department."

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5 **Section 4.** Section 15-8-309, MCA, is amended to read:

6 **"15-8-309. Violation and penalty -- appeal prohibited for failure to make statement.** (1) A
7 business entity or person who fails for any reason to ~~file~~ make or return the statement required by
8 15-8-301 must, after 10 days' written notice to the business entity or person who failed to make the
9 statement, be assessed a \$25 penalty. The department shall deposit the penalty to the credit of the state
10 general fund.

11 (2) (a) Subject to the conditions of subsections (2)(b) and (2)(c), a business entity or person who
12 fails to respond to a subsequent notice within the time specified in the notice, which must allow a
13 response within 10 days, may not appeal the valuation of the property as determined by the department.

14 (b) If the business entity or person makes the statement required by 15-8-301 during the current
15 session of the county tax appeal board, the person may appeal the valuation of the property.

16 (c) If the person makes the statement required by 15-8-301 when the board is not in session, the
17 person may appeal the valuation of the property in the following tax year."

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19 **Section 5.** Section 15-24-904, MCA, is amended to read:

20 **"15-24-904. (Temporary) Penalty for violation of law -- appeal prohibited for failure to file.** If any
21 a person, company, or corporation who is the owner or is in charge of any livestock within this state fails
22 to make the statement or statements as provided in 15-24-903, the department shall, after 10 days'
23 notice to the person who failed to file the report, assess the penalty provided in 15-8-309. A person who
24 fails to respond to a subsequent notice within the time specified in the notice, which must allow a
25 response within 10 days, is subject to the appeal provisions of 15-8-309(2).

26 **15-24-904. (Effective January 1, 2003) Penalty for violation of law.** If a person, company, or
27 corporation who is the owner or is in charge of livestock within this state fails to make the statement or
28 statements as provided in 15-24-903, the department shall, after 10 days' notice to the person who failed
29 to file the report, access the penalty provided in 15-8-309 ~~for the~~ on the per capita levy, as provided in
30 15-24-921."

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2 **Section 6.** Section 15-24-1207, MCA, is amended to read:

3 **"15-24-1207. Reporting requirements -- penalty -- appeal prohibited for failure to file -- rules.** (1)

4 Each private person who is a possessor or a beneficial user of tax-exempt property for industrial, trade,
5 or other business purposes subject to tax pursuant to 15-24-1203 shall, on or before March 1 each year,
6 file with the department a statement of the possession or other beneficial use of tax-exempt property in
7 the preceding calendar year and the value of the property. The statement must be in the form prescribed
8 by the department and must be verified by the possessor or beneficial user or, in the case of an association
9 or corporation, by an officer of the association or corporation. The statement must include:

10 (a) the name and address of the person, association, or corporation;

11 (b) the location of the tax-exempt property; and

12 (c) the market value in dollars and cents of the tax-exempt property.

13 (2) A person who fails to file the statement required by subsection (1) following 10 days' written
14 notice from the department must be assessed the penalty provided in 15-8-309.

15 (3) A person who fails to respond to a subsequent notice within the time specified in the notice,
16 which must allow a response within 10 days, is subject to the appeal provisions of 15-8-309(2).

17 ~~(3)~~(4) The department may adopt any reasonable rules necessary to ~~insure~~ ensure that the
18 possessor or other beneficial user of tax-exempt property complies with the provisions of this part."

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20 NEW SECTION. **Section 7. Codification instruction.** [Section 2] is intended to be codified as an
21 integral part of Title 15, chapter 8, part 3, and the provisions of Title 15, chapter 8, part 3, apply to
22 [section 2].

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